

SUBCHAPTER B—PREMIUMS

PART 4006—PREMIUM RATES

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§ 4006.1 Purpose and scope.

This part, which applies to all plans covered by title IV of ERISA, provides rules for computing the premiums imposed by sections 4006 and 4007 of ERISA. (See part 4007 of this chapter for rules for the payment of premiums, including due dates and late payment charges.)

§ 4006.2 Definitions.

The following terms are defined in § 4001.2 of this chapter: benefit liabilities, Code, contributing sponsor, ERISA, fair market value, insurer, irrevocable commitment, mandatory employee contributions, multiemployer plan, notice of intent to terminate, PBGC, plan administrator, plan, plan year, single-employer plan, and termination date.

In addition, for purposes of this part:

Continuation plan means a new plan resulting from a consolidation or spinoff that is not *de minimis* pursuant to the regulations under section 414(l) of the Code.

New plan means a plan that did not exist before the premium payment year and includes a plan resulting from a consolidation or spinoff. A plan that meets this definition is considered to be a new plan even if the plan constitutes a successor plan within the meaning of section 4021(a) of ERISA.

Newly covered plan means a plan that becomes covered by title IV of ERISA during the premium payment year and that existed as an uncovered plan immediately before the first date in the

premium payment year on which it was a covered plan.

Participant has the meaning described in § 4006.6.

Participant count of a plan means the number of participants in the plan on the participant count date of the plan.

Participant count date of a plan means the date provided for in § 4006.5(c), (d), or (e) as applicable.

Premium funding target has the meaning described in § 4006.4(b)(1).

Premium payment year means the plan year for which the premium is being paid.

Short plan year means a plan year of coverage that is shorter than a normal plan year.

Small plan means a plan—

(1) Whose participant count is not more than 100, or

(2) Whose funding valuation date for the premium payment year, determined in accordance with ERISA section 303(g)(2), is not the first day of the premium payment year.

UVB valuation date of a plan means the plan's funding valuation date for the UVB valuation year, determined in accordance with ERISA section 303(g)(2).

UVB valuation year of a plan means—

(1) In general,—

(i) The plan year preceding the premium payment year, if the plan is a small plan other than a continuation plan, or

(ii) The premium payment year, in any other case; or

(2) For a small plan that so opts subject to PBGC premium instructions, the premium payment year.

[61 FR 34016, July 1, 1996, as amended at 65 FR 75163, Dec. 1, 2000; 73 FR 15074, Mar. 21, 2008; 79 FR 13559, Mar. 11, 2014]

§ 4006.3 Premium rate.

Subject to the provisions of § 4006.5 (dealing with exemptions and special rules) and § 4006.7 (dealing with premiums for certain terminated single-employer plans), the premium paid for basic benefits guaranteed under section 4022(a) or section 4022A(a) of ERISA shall equal the flat-rate premium under paragraph (a) of this section